

# Warrumbungle Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2017

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*"excellence in local government"*



# Warrumbungle Shire Council

## Special Schedules for the year ended 30 June 2017

Contents		Page
<b>Special Schedules<sup>1</sup></b>		
Special Schedule 1	Net Cost of Services	2
Special Schedule 2(a)	Statement of Long Term Debt (all purposes)	4
Special Schedule 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	5
Special Schedule 3	Water Supply Operations – incl. Income Statement	6
Special Schedule 4	Water Supply – Statement of Financial Position	9
Special Schedule 5	Sewerage Service Operations – incl. Income Statement	10
Special Schedule 6	Sewerage Service – Statement of Financial Position	11
Notes to Special Schedules 3 and 5		14
Special Schedule 7	Report on Infrastructure Assets	15
Special Schedule 8	Permissible Income Calculation	20

<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 8).

### Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
  - the Australian Bureau of Statistics (ABS),
  - the NSW Office of Water (NOW), and
  - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
  - the incorporation of Local Government financial figures in national statistics,
  - the monitoring of loan approvals,
  - the allocation of borrowing rights, and
  - the monitoring of the financial activities of specific services.

## Warrumbungle Shire Council

# Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2017

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	<b>1,061</b>	<b>10</b>	<b>375</b>	<b>(676)</b>
<b>Administration</b>	<b>6,762</b>	<b>998</b>	<b>94</b>	<b>(5,670)</b>
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	4,208	3,737	1,615	1,144
Animal control	205	–	–	(205)
<b>Total public order and safety</b>	<b>4,413</b>	<b>3,737</b>	<b>1,615</b>	<b>939</b>
<b>Health</b>	<b>80</b>	<b>72</b>	<b>–</b>	<b>(8)</b>
<b>Environment</b>				
Noxious plants and insect/vermin control	101	–	–	(101)
Solid waste management	2,300	2,185	–	(115)
Street cleaning	261	–	–	(261)
Drainage	183	–	–	(183)
Stormwater management	106	108	–	2
<b>Total environment</b>	<b>2,951</b>	<b>2,293</b>	<b>–</b>	<b>(658)</b>
<b>Community services and education</b>				
Administration and education	62	–	–	(62)
Aged persons and disabled	872	933	–	61
Children's services	2,319	2,152	–	(167)
<b>Total community services and education</b>	<b>3,253</b>	<b>3,085</b>	<b>–</b>	<b>(168)</b>
<b>Housing and community amenities</b>				
Public cemeteries	168	83	7	(78)
Public conveniences	544	24	–	(520)
Street lighting	132	–	–	(132)
Town planning	147	160	39	52
<b>Total housing and community amenities</b>	<b>991</b>	<b>267</b>	<b>46</b>	<b>(678)</b>
<b>Water supplies</b>	<b>3,768</b>	<b>2,842</b>	<b>370</b>	<b>(556)</b>
<b>Sewerage services</b>	<b>1,975</b>	<b>1,606</b>	<b>–</b>	<b>(369)</b>

## Warrumbungle Shire Council

Special Schedule 1 – Net Cost of Services (continued)  
for the year ended 30 June 2017

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Recreation and culture</b>				
Public libraries	622	59	–	(563)
Community centres and halls	1,170	97	–	(1,073)
Sporting grounds and venues	612	12	8	(592)
Swimming pools	773	124	–	(649)
Parks and gardens (lakes)	599	–	–	(599)
Other sport and recreation	12	(10)	–	(22)
<b>Total recreation and culture</b>	<b>3,788</b>	<b>282</b>	<b>8</b>	<b>(3,498)</b>
<b>Fuel and energy</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Agriculture</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Mining, manufacturing and construction</b>				
Building control	139	60	–	(79)
Other mining, manufacturing and construction	1,103	1,104	–	1
<b>Total mining, manufacturing and const.</b>	<b>1,242</b>	<b>1,164</b>	<b>–</b>	<b>(78)</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	1,775	–	260	(1,515)
Sealed rural roads (SRR) – local	1,610	1,792	–	182
Sealed rural roads (SRR) – regional	2,038	2,709	1,580	2,251
Unsealed rural roads (URR) – local	3,573	–	40	(3,533)
Bridges on UR – local	173	–	–	(173)
Bridges on SRR – local	276	148	–	(128)
Bridges on regional roads	213	–	–	(213)
Parking areas	6	–	–	(6)
Footpaths	168	–	–	(168)
Aerodromes	203	5	–	(198)
Other transport and communication	1,537	4,227	–	2,690
<b>Total transport and communication</b>	<b>11,572</b>	<b>8,881</b>	<b>1,880</b>	<b>(811)</b>
<b>Economic affairs</b>				
Other economic affairs	549	59	–	(490)
<b>Total economic affairs</b>	<b>549</b>	<b>59</b>	<b>–</b>	<b>(490)</b>
<b>Totals – functions</b>	<b>42,405</b>	<b>25,296</b>	<b>4,388</b>	<b>(12,721)</b>
<b>General purpose revenues <sup>(1)</sup></b>	<b>46</b>	<b>17,379</b>		<b>17,333</b>
Share of interests – joint ventures and associates using the equity method	–	50		50
<b>NET OPERATING RESULT <sup>(2)</sup></b>	<b>42,451</b>	<b>42,725</b>	<b>4,388</b>	<b>4,662</b>

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

(2) As reported in the Income Statement



## Warrumbungle Shire Council

Special Schedule 2(a) – Statement of Long Term Debt (all purpose)  
for the year ended 30 June 2017

\$'000

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
Loans (by source)											
Financial institutions	788	6,471	7,259	—	788	—	—	315	827	5,644	6,471
Total loans	788	6,471	7,259	—	788	—	—	315	827	5,644	6,471
Total debt	788	6,471	7,259	—	788	—	—	315	827	5,644	6,471

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

## Warrumbungle Shire Council

Special Schedule 2(b) – Statement of Internal Loans [Section 410(3) of the Local Government Act 1993]  
for the year ended 30 June 2017

\$'000

## Summary of internal loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (principal and interest)	Principal outstanding at end of year
General	1,500,000	198,736	857,229
<b>Totals</b>	<b>1,500,000</b>	<b>198,736</b>	<b>857,229</b>

Note: the summary of internal loans (above) represents the total of Council's internal loans categorised according to the borrower.

## Details of individual internal loans

Borrower (by purpose)	Lender (by purpose)	Date of minister's approval	Date raised	Term (years)	Dates of maturity	Rate of interest	Amount originally raised	Total repaid during year (princ. and int.)	Principal outstanding at end of year
General fund	Sewer fund	23/12/12	01/07/12	10	30/06/21	5.80%	1,500,000	198,736	857,229
<b>Totals</b>							<b>1,500,000</b>	<b>198,736</b>	<b>857,229</b>

## Warrumbungle Shire Council

## Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	735	638
b. Engineering and supervision	23	18
<b>2. Operation and maintenance expenses</b>		
– dams and weirs		
a. Operation expenses	3	5
b. Maintenance expenses	5	12
– Mains		
c. Operation expenses	7	9
d. Maintenance expenses	340	293
– Reservoirs		
e. Operation expenses	69	76
f. Maintenance expenses	38	27
– Pumping stations		
g. Operation expenses (excluding energy costs)	54	63
h. Energy costs	237	159
i. Maintenance expenses	127	31
– Treatment		
j. Operation expenses (excluding chemical costs)	349	345
k. Chemical costs	103	102
l. Maintenance expenses	156	178
– Other		
m. Operation expenses	78	90
n. Maintenance expenses	191	198
o. Purchase of water	–	–
<b>3. Depreciation expenses</b>		
a. System assets	1,169	774
b. Plant and equipment	–	27
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	32	36
b. Revaluation decrements	–	–
c. Other expenses	52	87
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>3,768</b>	<b>3,168</b>

## Warrumbungle Shire Council

## Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
Income		
<b>6. Residential charges</b>		
a. Access (including rates)	1,110	1,080
b. Usage charges	986	1,257
<b>7. Non-residential charges</b>		
a. Access (including rates)	191	189
b. Usage charges	385	369
<b>8. Extra charges</b>	–	–
<b>9. Interest income</b>	92	108
<b>10. Other income</b>	38	244
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	–	–
<b>11. Grants</b>		
a. Grants for acquisition of assets	370	40
b. Grants for pensioner rebates	41	40
c. Other grants	–	–
<b>12. Contributions</b>		
a. Developer charges	–	–
b. Developer provided assets	–	–
c. Other contributions	–	–
<b>13. Total income</b>	<b>3,213</b>	<b>3,327</b>
<b>14. Gain (or loss) on disposal of assets</b>	–	–
<b>15. Operating result</b>	<b>(555)</b>	<b>159</b>
<b>15a. Operating result (less grants for acquisition of assets)</b>	<b>(925)</b>	<b>119</b>



## Warrumbungle Shire Council

## Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of fixed assets</b>		
a. New assets for improved standards	107	135
b. New assets for growth	–	–
c. Renewals	29	173
d. Plant and equipment	–	–
<b>17. Repayment of debt</b>	32	36
<b>18. Totals</b>	<b>168</b>	<b>344</b>
<b>Non-operating funds employed</b>		
<b>19. Proceeds from disposal of assets</b>	–	–
<b>20. Borrowing utilised</b>	–	–
<b>21. Totals</b>	<b>–</b>	<b>–</b>
<b>C Rates and charges</b>		
<b>22. Number of assessments</b>		
a. Residential (occupied)	2,680	2,677
b. Residential (unoccupied, ie. vacant lot)	158	160
c. Non-residential (occupied)	439	442
d. Non-residential (unoccupied, ie. vacant lot)	65	68
<b>23. Number of ETs for which developer charges were received</b>	– ET	– ET
<b>24. Total amount of pensioner rebates (actual dollars)</b>	\$ 72,297	\$ 73,348

## Warrumbungle Shire Council

## Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis  
as at 30 June 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>25. Cash and investments</b>			
a. Developer charges	–	98	98
b. Special purpose grants	41	–	41
c. Accrued leave	191	2	193
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	1,871	–	1,871
<b>26. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	220	–	220
c. User charges	661	–	661
d. Other	–	–	–
<b>27. Inventories</b>	6	–	6
<b>28. Property, plant and equipment</b>			
a. System assets	–	36,326	36,326
b. Plant and equipment	–	2,750	2,750
<b>29. Other assets</b>	–	–	–
<b>30. Total assets</b>	<b>2,990</b>	<b>39,176</b>	<b>42,166</b>
<b>LIABILITIES</b>			
<b>31. Bank overdraft</b>	–	–	–
<b>32. Creditors</b>	5	–	5
<b>33. Borrowings</b>	78	534	612
<b>34. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	191	2	193
<b>35. Total liabilities</b>	<b>274</b>	<b>536</b>	<b>810</b>
<b>36. NET ASSETS COMMITTED</b>	<b>2,716</b>	<b>38,640</b>	<b>41,356</b>
<b>EQUITY</b>			
<b>37. Accumulated surplus</b>			20,213
<b>38. Asset revaluation reserve</b>			21,143
<b>39. Other reserves</b>			–
<b>40. TOTAL EQUITY</b>			<b>41,356</b>
<b>Note to system assets:</b>			
<b>41. Current replacement cost</b> of system assets			65,411
<b>42. Accumulated current cost</b> depreciation of system assets			(29,084)
<b>43. Written down current cost</b> of system assets			36,327

## Warrumbungle Shire Council

## Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	543	520
b. Engineering and supervision	20	16
<b>2. Operation and maintenance expenses</b>		
– mains		
a. Operation expenses	1	3
b. Maintenance expenses	176	163
– Pumping stations		
c. Operation expenses (excluding energy costs)	60	63
d. Energy costs	51	38
e. Maintenance expenses	93	47
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	302	280
g. Chemical costs	12	13
h. Energy costs	21	18
i. Effluent management	–	2
j. Biosolids management	–	–
k. Maintenance expenses	133	76
– Other		
l. Operation expenses	7	12
m. Maintenance expenses	13	38
<b>3. Depreciation expenses</b>		
a. System assets	538	320
b. Plant and equipment	–	13
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	3	23
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>1,973</b>	<b>1,645</b>

## Warrumbungle Shire Council

## Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	998	954
<b>7. Non-residential charges</b>		
a. Access (including rates)	242	21
b. Usage charges	101	332
<b>8. Trade waste charges</b>		
a. Annual fees	9	8
b. Usage charges	102	54
c. Excess mass charges	—	—
d. Re-inspection fees	—	—
<b>9. Extra charges</b>	—	—
<b>10. Interest income</b>	115	133
<b>11. Other income</b>	10	11
<b>11a. Aboriginal Communities Water and Sewerage Program</b>	—	—
<b>12. Grants</b>		
a. Grants for acquisition of assets	—	—
b. Grants for pensioner rebates	29	28
c. Other grants	—	—
<b>13. Contributions</b>		
a. Developer charges	—	—
b. Developer provided assets	—	—
c. Other contributions	—	—
<b>14. Total income</b>	<b>1,606</b>	<b>1,541</b>
<b>15. Gain (or loss) on disposal of assets</b>	—	—
<b>16. Operating result</b>	<b>(367)</b>	<b>(104)</b>
<b>16a. Operating result (less grants for acquisition of assets)</b>	(367)	(104)



## Warrumbungle Shire Council

## Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of fixed assets</b>		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	12	128
d. Plant and equipment	–	–
<b>18. Repayment of debt</b>	–	–
<b>19. Totals</b>	<b>12</b>	<b>128</b>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	–	–
<b>21. Borrowing utilised</b>	–	–
<b>22. Totals</b>	<b>–</b>	<b>–</b>
<b>C Rates and charges</b>		
<b>23. Number of assessments</b>		
a. Residential (occupied)	2,018	2,016
b. Residential (unoccupied, ie. vacant lot)	117	117
c. Non-residential (occupied)	343	339
d. Non-residential (unoccupied, ie. vacant lot)	66	73
<b>24. Number of ETs for which developer charges were received</b>	– ET	– ET
<b>25. Total amount of pensioner rebates (actual dollars)</b>	\$ 51,640	\$ 52,755

## Warrumbungle Shire Council

## Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis  
as at 30 June 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>26. Cash and investments</b>			
a. Developer charges	—	30	30
b. Special purpose grants	29	—	29
c. Accrued leave	77	1	78
d. Unexpended loans	—	—	—
e. Sinking fund	—	—	—
f. Other	2,550	—	2,550
<b>27. Receivables</b>			
a. Specific purpose grants	—	—	—
b. Rates and availability charges	113	—	113
c. User charges	210	—	210
d. Other	152	1,077	1,229
<b>28. Inventories</b>	—	—	—
<b>29. Property, plant and equipment</b>			
a. System assets	—	16,653	16,653
b. Plant and equipment	—	1,033	1,033
<b>30. Other assets</b>	—	—	—
<b>31. Total assets</b>	<b>3,131</b>	<b>18,794</b>	<b>21,925</b>
<b>LIABILITIES</b>			
<b>32. Bank overdraft</b>	—	—	—
<b>33. Creditors</b>	—	—	—
<b>34. Borrowings</b>	—	—	—
<b>35. Provisions</b>			
a. Tax equivalents	—	—	—
b. Dividend	—	—	—
c. Other	77	1	78
<b>36. Total liabilities</b>	<b>77</b>	<b>1</b>	<b>78</b>
<b>37. NET ASSETS COMMITTED</b>	<b>3,054</b>	<b>18,793</b>	<b>21,847</b>
<b>EQUITY</b>			
<b>38. Accumulated surplus</b>			11,704
<b>39. Asset revaluation reserve</b>			10,143
<b>40. Other reserves</b>			—
<b>41. TOTAL EQUITY</b>			<b>21,847</b>
<b>Note to system assets:</b>			
<b>42. Current replacement cost of system assets</b>			32,093
<b>43. Accumulated current cost depreciation of system assets</b>			(15,439)
<b>44. Written down current cost of system assets</b>			16,653

# Warrumbungle Shire Council

## Notes to Special Schedules 3 and 5 for the year ended 30 June 2017

### Administration <sup>(1)</sup>

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Meter reading
- Bad and doubtful debts
- Other administrative/corporate support services

### Engineering and supervision <sup>(1)</sup>

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

**Operational expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

**Maintenance expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

**Other expenses** (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

**Revaluation decrements** (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

**Impairment losses** (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

**Aboriginal Communities Water and Sewerage Program** (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

**Residential charges** <sup>(2)</sup> (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a access charges (including rates if applicable) and 6b usage charges.

**Non-residential charges** <sup>(2)</sup> (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a access charges (including rates if applicable) and 7b usage charges.

**Trade waste charges** (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

**Other income** (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

**Other contributions** (items 12c and 13c of Special Schedules 3 and 5 respectively) including capital contributions for water supply or sewerage services received by Council under Section 565 of the *Local Government Act*.

### Notes:

<sup>(1)</sup> Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

<sup>(2)</sup> To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.



## Warrumbungle Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance <sup>a</sup>	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Buildings</b>	Council Offices	–	–	79	210	10,100	14,238	62%	4%	34%	0%	0%
	Council Works Depot	19	129	95	–	2,863	4,779	49%	3%	43%	5%	0%
	Council Public Halls	–	–	268	259	3,897	6,066	54%	0%	46%	0%	0%
	Council Houses	–	–	56	87	2,342	3,244	51%	24%	25%	0%	0%
	Medical Centres	–	–	40	44	2,235	3,002	54%	21%	25%	0%	0%
	Library	–	–	39	–	1,209	1,542	46%	54%	0%	0%	0%
	Recreation and Culture	23	188	185	76	8,545	14,394	50%	2%	46%	2%	0%
	Specialised Buildings	6	42	295	6	5,023	7,828	52%	6%	41%	1%	0%
	Childcare Centres	–	–	26	22	954	1,128	96%	3%	1%	0%	0%
	Amenities/Toilets	13	49	32	–	1,878	2,436	70%	6%	21%	0%	3%
	Emergency Centres	–	–	77	–	5,243	5,864	90%	4%	6%	0%	0%
<b>Other structures</b>	Other	–	–	–	85	71	74	100%	0%	0%	0%	0%
	<b>Sub-total</b>	<b>61</b>	<b>408</b>	<b>1,192</b>	<b>789</b>	<b>44,360</b>	<b>64,595</b>	<b>58.6%</b>	<b>6.4%</b>	<b>34.0%</b>	<b>0.9%</b>	<b>0.1%</b>
<b>Roads</b>	Other structures	2	67	152	123	11,277	15,715	44%	38%	18%	0%	0%
	<b>Sub-total</b>	<b>2</b>	<b>67</b>	<b>152</b>	<b>123</b>	<b>11,277</b>	<b>15,715</b>	<b>44.0%</b>	<b>38.0%</b>	<b>18.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Roads</b>	Sealed roads	–	2,358	1,629	2,299	146,752	180,886	45%	27%	25%	2%	1%
	Unsealed roads	15	2,755	1,531	1,920	39,299	55,517	51%	20%	19%	10%	0%
	Bridges	–	–	130	90	50,934	54,876	94%	4%	2%	0%	0%
	Footpaths	22	63	119	47	3,848	5,637	34%	38%	27%	1%	0%
	Other road assets	–	–	1	–	289	338	77%	23%	0%	0%	0%
	Bulk earthworks	–	–	–	–	88,457	88,457	100%	0%	0%	0%	0%
	Kerb & Gutter	–	–	95	–	13,019	14,738	98%	2%	0%	0%	0%
	<b>Sub-total</b>	<b>37</b>	<b>5,176</b>	<b>3,505</b>	<b>4,356</b>	<b>342,598</b>	<b>400,449</b>	<b>66.5%</b>	<b>16.1%</b>	<b>14.6%</b>	<b>2.3%</b>	<b>0.5%</b>



## Warrumbungle Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance <sup>a</sup>	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Water supply network	254	2,722	609	856	36,327	65,411	15%	72%	8%	4%	1%
	<b>Sub-total</b>	<b>254</b>	<b>2,722</b>	<b>609</b>	<b>856</b>	<b>36,327</b>	<b>65,411</b>	<b>15.0%</b>	<b>72.0%</b>	<b>8.0%</b>	<b>4.0%</b>	<b>1.0%</b>
Sewerage network	Sewer Infrastructure	66	2,075	320	414	16,654	32,093	10%	63%	18%	9%	0%
	<b>Sub-total</b>	<b>66</b>	<b>2,075</b>	<b>320</b>	<b>414</b>	<b>16,654</b>	<b>32,093</b>	<b>10.0%</b>	<b>63.0%</b>	<b>18.0%</b>	<b>9.0%</b>	<b>0.0%</b>
Stormwater drainage	Stormwater drainage	–	–	150	320	4,685	8,145	12%	44%	44%	0%	0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>150</b>	<b>320</b>	<b>4,685</b>	<b>8,145</b>	<b>12.0%</b>	<b>44.0%</b>	<b>44.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Open space/recreational assets	Swimming pools	–	–	96	121	2,717	5,898	1%	27%	72%	0%	0%
	Other	–	–	525	724	1,367	1,680	70%	24%	6%	0%	0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>621</b>	<b>845</b>	<b>4,084</b>	<b>7,578</b>	<b>16.3%</b>	<b>26.3%</b>	<b>57.4%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>TOTAL – ALL ASSETS</b>		<b>420</b>	<b>10,448</b>	<b>6,549</b>	<b>7,703</b>	<b>459,985</b>	<b>593,986</b>	<b>54.9%</b>	<b>24.9%</b>	<b>17.2%</b>	<b>2.6%</b>	<b>0.4%</b>

## Notes:

a Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required. (renewal within ten years)
4	Poor	Renewal required within four years
5	Very poor	Urgent renewal/upgrading required

## Warrumbungle Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2017

\$ '000	Amounts 2017	Indicator 2017	Benchmark	Prior periods 2016      2015	
Infrastructure asset performance indicators * consolidated					
1. Infrastructure renewals ratio					
Asset renewals <sup>(1)</sup>	5,441	64.44%	>= 100%	118.12%	42.19%
Depreciation, amortisation and impairment	8,444				
2. Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	420	0.11%	< 2%	0.19%	4.62%
Net carrying amount of infrastructure assets	371,526				
3. Asset maintenance ratio					
Actual asset maintenance	7,703	1.18	> 1	1.01	1.33
Required asset maintenance	6,549				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	10,448	1.76%		0.85%	
Gross replacement cost	593,986				

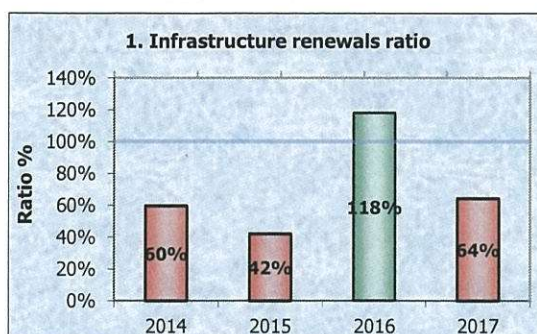
## Notes

\* All asset performance indicators are calculated using the asset classes identified in the previous table.

<sup>(1)</sup> Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



## Warrumbungle Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2017Benchmark: ———  $\geq 100.00\%$ 

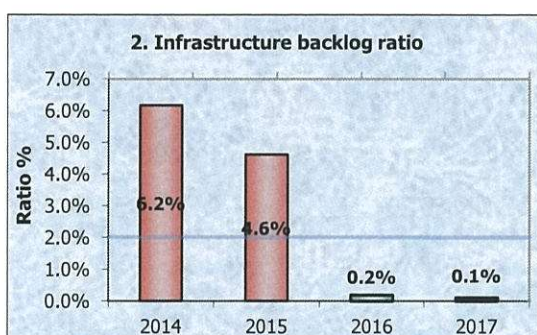
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

## Commentary on 2016/17 result

**2016/17 Ratio 64.44%**

Capital renewals fell far short of initial forecasts yet remained the second best shown. The result was negatively influenced by the revaluation of Water & Sewer which saw an increase in annual depreciation of over \$700k.

Ratio achieves benchmark  
Ratio is outside benchmark

Benchmark: ———  $< 2.00\%$ 

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

## Purpose of infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

## Commentary on 2016/17 result

**2016/17 Ratio 0.11%**

Comparable to last year. The result shows a continued focus on proper identification and rectification of problems with poor infrastructure.

Ratio achieves benchmark  
Ratio is outside benchmark

Benchmark: ———  $> 1.00$ 

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

## Purpose of asset maintenance ratio

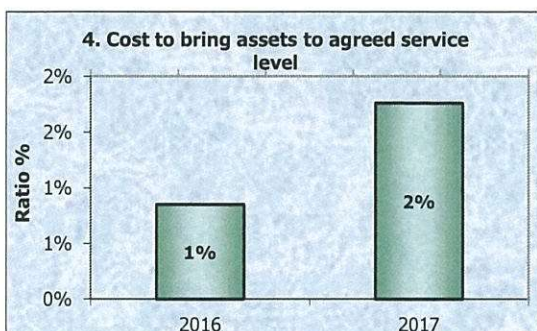
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

## Commentary on 2016/17 result

**2016/17 Ratio 1.18 x**

Whilst it is noteworthy that Council is undertaking more than adequate maintenance this ratio compared to the "Infrastructure Renewals" may indicate that there is an imbalance between renewals and maintenance.

Ratio achieves benchmark  
Ratio is outside benchmark



## Purpose of agreed service level ratio

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

## Commentary on 2016/17 result

**2016/17 Ratio 1.76%**

This jump is almost entirely due to the 2016/17 Water & Sewer Revaluation which saw the recognition of an additional \$5m in assets as well as an update on the condition of the Council's Water and Sewer Infrastructure.

## Warrumbungle Shire Council

# Special Schedule 7 – Report on Infrastructure Assets (continued)

for the year ended 30 June 2017

\$ '000	Benchmark	Water 2017	Sewer 2017	General <sup>(1)</sup> 2017
<b>Infrastructure asset performance indicators by fund</b>				
<b>1. Infrastructure renewals ratio</b>				
Asset renewals <sup>(2)</sup>	>= 100%	<b>11.56%</b>	<b>38.54%</b>	<b>75.40%</b>
Depreciation, amortisation and impairment	prior period:	22.35%	40.00%	135.23%
<b>2. Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard	< 2%	<b>0.70%</b>	<b>0.40%</b>	<b>0.03%</b>
Net carrying amount of infrastructure assets	prior period:	0.08%	1.03%	0.14%
<b>3. Asset maintenance ratio</b>				
Actual asset maintenance	> 1	<b>1.41</b>	<b>1.29</b>	<b>1.14</b>
Required asset maintenance	prior period:	1.24	1.03	0.99
<b>4. Cost to bring assets to agreed service level</b>				
Estimated cost to bring assets to an agreed service level set by Council	> 1	<b>4.16%</b>	<b>6.47%</b>	<b>1.14%</b>
Gross replacement cost				

## Notes

(1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



## Warrumbungle Shire Council

## Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2018

\$'000		Calculation 2016/17	Calculation 2017/18
<b>Notional general income calculation <sup>(1)</sup></b>			
Last year notional general income yield	a	7,576	7,631
Plus or minus adjustments <sup>(2)</sup>	b	34	6
<b>Notional general income</b>	<b>c = (a + b)</b>	<b>7,610</b>	<b>7,637</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>(3)</sup>	d	0.00%	0.00%
Or rate peg percentage	e	1.80%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	—	—
Plus special variation amount	h = d x (c - g)	—	—
Or plus rate peg amount	i = c x e	137	115
Or plus Crown land adjustment and rate peg amount	j = c x f	—	—
<b>Sub-total</b>	<b>k = (c + g + h + i + j)</b>	<b>7,747</b>	<b>7,752</b>
Plus (or minus) last year's carry forward total	l	(95)	25
Less valuation objections claimed in the previous year	m	(3)	(7)
<b>Sub-total</b>	<b>n = (l + m)</b>	<b>(98)</b>	<b>18</b>
<b>Total permissible income</b>	<b>o = k + n</b>	<b>7,649</b>	<b>7,769</b>
Less notional general income yield	p	7,631	7,766
<b>Catch-up or (excess) result</b>	<b>q = o - p</b>	<b>18</b>	<b>3</b>
Plus income lost due to valuation objections claimed <sup>(4)</sup>	r	7	—
Less unused catch-up <sup>(5)</sup>	s	—	—
<b>Carry forward to next year</b>	<b>t = q + r - s</b>	<b>25</b>	<b>3</b>

## Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.

## Warrumbungle Shire Council

### Special Schedule 8 – Independent Auditors Report for the year ended 30 June 2018

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#### Report on Special Schedule 8

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule 8) of Warrumbungle Shire Council for the year ending 30 June 2018.

#### Responsibility of Council for Special Schedule 8

The Council is responsible for the preparation and fair presentation of Special Schedule 8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule 8 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' responsibility

Our responsibility is to express an opinion on Special Schedule 8 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule 8 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule 8. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule 8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule 8.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule 8 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### **Audit opinion**

In our opinion, Special Schedule 8 of Warrumbungle Shire Council for 2017/18 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

### **Basis of accounting**

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose.

FIRM NAME

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Partner Name here...

**Partner**

Dated at Sydney this XXth day of XXXXXXXX, 2017